

Quote/Bid Proposal for
**Installment Purchase Contract Lease/Purchase Financing for
“Energy Performance Contract”**

R.G. Timbs, Inc. at the request of:

Otego-Unadilla Central School District
Otsego County, New York
(the “School District”)

1. Requests for written, email, or fax bids for providing Installment Purchase Contract (Lease/Purchase) Financing are due no later than **February 21, 2024 at 11:00 o’clock A.M. EST** at the office of:

R.G. Timbs, Inc.
11 Meadowbrook Road
Whitesboro, NY 13492
Attn: Jessica Bianchi`
Phone:(877) 315-0100 x2
Email: JessicaB@rgtimbsinc.net
Fax Bid Number: (315) 266-9212

2. The principal amount of the installment purchase contract will be \$2,904,237
3. The lease purchase financing will be used to fund various projects of the School District as defined in “Project Scope” attached as “Exhibit – A” to this Request for Proposals. The energy service company is Trane Technologies, 15 Technology Place, East Syracuse, New York 13057.
4. The interest rate quoted will be fixed as of the time of the bid and will remain constant throughout the lease term and will include any and all fees or expenses associated with this financing.
5. The financing entity will be provided with an opinion of Bond Counsel to the effect that the interest component of payments to be made by the School District pursuant to the financing contract (“interest”) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum taxes. The opinion set forth in the preceding sentence will be subject to the condition that the School District comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the date of the financing contract in order that interest be, or continue to be, excluded from gross income for federal income tax purposes. The School District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause the interest to be included in the gross income for federal income tax purposes retroactive to the date of closing. Bond Counsel will not express opinion regarding other federal tax consequences arising with respect to the lease and the related documents. **The installment purchase contract will be designated by the School District as a “qualified tax-exempt obligation” pursuant to the provisions of Section 265 of the Code.**

6. All bids shall remain in effect for 30 days from the day quotes are due. It is expected that the District Board of Education will approve the lease purchase agreement at their regular meeting scheduled on March 4, 2024. It is anticipated that funds will need to be available on or about March 21, 2024. All quotes should be based upon this estimated time line.
7. Each bid accompanied by a repayment schedule listing principal, interest and total annual payments. Such schedule shall be compliant with Article 9 of the NYS Energy Law. **No award is final until formally approved by the Board of Education.** Upon verbal or written notification of successful bid award, (which shall be conditional upon successful negotiation of all transactional documents and opinions), the successful bidder shall be required to deliver the proposed forms of the leasing documents to R.G. Timbs, Inc. (address listed on page 1) and to Bond Counsel and School Attorney at:

Orrick, Herrington, & Sutcliffe LLP
Attention: Tom Myers, Esq.
51 West 52nd Street
New York, New York 10019
Tel: (212) 506-5211
Email: tmyers@orrick.com

Ferrara Fiorenza PC
Attention: David E. Tinker
5010 Campuswood Drive
East Syracuse, New York 13057
Tel: (315) 437-7600
Email: detinker@ferrarafirm.com

8. **There shall be no prepayment penalty.**
9. The current S&P Global Ratings (“S&P”), a division of Standard & Poor’s Financial Services, LLC bond rating of the School District is “A”.
10. The School District is in material compliance with its Continuing Disclosure requirements related to SEC Rule 15c2-12 for the past five years.
 - a. A copy of the School District’s most recent Continuing Disclosure Statement for fiscal year ending June 30, 2023 can be found here: <https://emma.msrb.org/P11715723-P11318683-P11751378.pdf>. A copy of the School District’s audited financial statements for the fiscal year ending June 30, 2023 can be found here: <https://emma.msrb.org/P11715723-P11318683-P11751379.pdf>.
11. Among other factors, the low bid/quote will be determined by the lowest amount indicated for a total of payments with the requirement that the quote will meet all other conditions listed herein that are not affirmatively waived by the School District.
12. Prior to complete delivery of equipment, it will be necessary to make partial payment to vendor(s). In this case, unexpended funds shall be held in an interest bearing escrow fund account established by the winning bidder (the “Lessor”) in the name of the School District. Interest earnings will begin to accrue to the School District on the date of the deposit to the escrow fund. All interest earnings shall be applied to reduce the last scheduled payment(s) at the end of the financing term. Any unexpended funds after payment to all vendors shall be recalculated to reduce remaining payment amounts equally unless otherwise authorized by the School District. The escrow agent must be a bank or trust company located in and authorized to do such business in New York State. The bank must have an office in New York State which is stated in the proposed Escrow Contract. Investments shall be made solely at the prior written direction of the School District and shall be made in accordance with the requirements of General Municipal law Sections 10 and 11 and the School District’s formal investment policy. The School District is not

authorized to invest in mutual funds or similar liquid investment vehicles. All monies held in escrow fund are monies of the School District and shall not be subject to levy, attachment or lien of escrow agent. All charges of the escrow agent shall be paid by the Lessor.

13. The installment purchase contract financing will be in the amount of \$2,904,237. Interest will be due and payable on December 15, 2024 and semi-annually thereafter on June 15 and December 15. Principal will be payable on December 15, 2025 and due semi-annually thereafter on June 15 and December 15 until December 15, 2040. **The School District reserves the right to modify the above principal payments post sale, in any amounts as deemed necessary to achieve substantially level annual payment and/or equal annual payments.**
14. There shall be no additional fees for charges (including any Escrow Agent Fees) to the School District other than the annual debt service payments.
15. There shall be a \$1 (one dollar) buyout option in favor of the School District at lease expiration.
16. All manufacturers' warranties shall be assigned by the Lessor to the School District.
17. The Agreement shall be subject to cancellation by the School District annually and shall include the following paragraph:

“Pursuant to the requirements of Energy Law Section 9-103 and General Municipal Law section 109-b, the financing contract shall contain the appropriate executory clause which shall state in substance as required by such cited statutes that should financing contract payments not be appropriated by the School District the School District will not be obligated to pay the amounts due beyond the end of last funded fiscal year. The financing contract shall be deemed executory only to the extent of monies appropriated and available therefor, and no liability on account thereof shall be incurred by the School District beyond the amount of such monies. The financing contract is not a general obligation of the School District. Neither the full faith and credit nor the taxing power of the School District are pledged to the payment of any amount due or to become due under the financing contract. In the case of a failure to appropriate, the sole security shall be the improvements that are the subject of the financing contract. It is understood that neither this contract nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make available monies available for the purpose of the financing contract. In the event that no funds or insufficient funds are appropriated by the School District the financed improvements may be acquired and sold by or on behalf of the financing entity entitled to receive payments provided that any excess proceeds from such a sale, after deduction for and payment of fees, expenses and any taxes levied on the sale, shall be paid to the School District as provided in section 109-b of the General Municipal Law.
18. The sole security shall be the equipment, machinery or apparatus financed pursuant to the Agreement. In the event insufficient funds are appropriated to pay this obligation, such equipment, machinery and apparatus may be sold on behalf of the Lessor entitled to receive such payments, provided that any excess proceeds from such a sale shall be paid to the School District after deduction of obligations, taxes or other expenses of the Lessor.
19. Payments by the Lessor shall be made only at the written direction of the School District and may likely require multiple payments. Payments required by either check or electronic wiring depending on equipment vendor requirements. All associated costs for these services must be included in the quote.

20. Proposals will be evaluated based on total cost, ability to perform, requirements of the bidder, experience in New York State, and any other terms or conditions stipulated in each proposal.
21. The School District reserves the right to reject any or all bids/quotes, to waive any or all informalities, to request new proposals, and to award based upon the overall best interests of the School District. The attached Quote Proposal Form must be completed and included with each quote. The proposed forms of the lease purchase agreement, escrow contract and related documents must be submitted with the bid. Closing is subject to successful negotiation and approval of all such documents by counsel to the School District. The School District reserves the right to rescind an award due to failure of successful negotiation of the parties to agree to terms and conditions thereof.
22. All agreements and contractual conditions are required to conform with the laws of the State of New York, including, but not limited to, the General Municipal Law, the Energy Law, the Education Law, and regulations of the State Education Department and the Office of the State Comptroller. The School District's legal counsel will review and approve all documents on behalf of the Board of Education.
23. The Lessor shall be responsible for all of the Lessor's legal issuance and closing costs.
24. Annual Appropriation: The annual lease payments are subject to appropriation each year by the Board of Education of the School District.
25. The School District will not provide a legal description for each School District property in connection with this financing. In the event the Lessor requires this information for the purposes of making a fixture filing pursuant to the applicable provisions of the Uniform Commercial Code, the Lessor may obtain such information at its own effort and expense.
26. By submitting a bid/quote, each bidder is agreeing to abide by all provisions of this Request for Proposals. No terms or conditions of the Lessor may be imposed on the School District that supersede or contradict the terms set forth in this Request for Proposals.

Dated: February 14, 2024

EXHIBIT A
Project Scope

EXHIBIT B
Scope of Services

Summary of Energy Conservation Measures (ECMs) included in the energy performance contract for Unatego City School District:

K12 Bldg – 2641 NY-7, Otego, NY 13825

1. ECM-1 Lighting LED retrofit.
2. ECM-2 Controls Improvements.
3. ECM-3 Building Envelope
4. ECM-4 Boiler Conversion to Propane

Notes:

1. Delta Engineering is preparing a design for NYSED submission for the scope described as ECM's 1, 2, &3. This SED approved design will be implemented under this contract.
2. Boiler conversion will be installed per the NYSED approved drawings and specifications, drawing set dated 3/09/2022.

General Conditions:

Work hours are Monday thru Friday 7:00 AM to 4:30 PM

Customer will remove all stored equipment and materials from mechanical rooms to facilitate system upgrades

Customer will move classroom furniture as necessary to facilitate lighting retrofit

Customer will designate parking for Trane and its subcontractors

Customer will designate areas for storage trailers and dumpsters

Customer to designate a room for weekly progress meetings

Customer will provide six sets of keys for use during construction

All scrap metal value has been accounted for in the overall project estimate

One set of paper operation and maintenance manuals and as built drawings will be provided at project completion

Two electronic copies of the operation and maintenance manuals and as built drawings will also be provided.

K12 Building

ECM-1 Indoor Lighting Retrofit

The existing linear fluorescent interior lights and ballasts are T8 technology. Some fixtures have plug in compact fluorescent or LED lamps. Some spaces have already been retrofitted to LED technology. Linear fluorescent T8 fixtures will be retrofitted with Type C LED retrofit lamps with external drivers. Plug in style compact fluorescent fixtures will be replaced with LED lamps. Screw in style fluorescent and incandescent lamps will be replaced with LED lamps. Metal Halide fixtures will be replaced by a LED fixture. New occupancy sensors will be installed where specifically identified.

See appendix A for lighting retrofit detail.

ECM-2 Control Improvements

Ventilation optimization:

- Currently controls for most of the exhaust fans are pneumatic. We are retrofitting the exhaust fans with DDC actuators, connecting to the existing BAS system, and creating Time of Day Schedules. The new air handlers that are being installed will have DDC controls and be connected to the existing BAS system for ventilation control.

Boiler plant controls:

- The boiler plant is being upgraded to a High Efficiency boiler plant. With this upgrade, we will connect to the new boilers via a BACnet connection and reset the water temperature based on an outside air temperature scale. This will allow the boilers to remain in condensing mode as long as possible.

ECM-3 Building Envelope

The following building envelope improvements will be implemented:

- Thirty-eight (38) entry doors will be weather stripped.
- Three (3) overhead/roll up door will be sealed on four sides.
- Twelve (12) linear feet of control joints will be re-caulked.

See appendix B for building envelope detail.

ECM-4 Boiler Conversion to Propane

Existing boiler plant has three (3) oil fired boilers that are past their useful life. There is two (2) original 1968 vintage Cleaver brooks rated at 5,231MBH and one (1) Bryan boiler rated at 5,000MBH. The existing oil piping has issues that cause the boilers to trip out on low fuel



if they are not sequenced correctly. The boilers are not efficient and lower loop temperatures and comfort cannot be achieved.

The new plant will be installed as per the approved SED drawings dated 3/09/22 and consist of four (4) 3,000MBH high efficiency condensing boilers that will operate on propane. The boiler room hot water piping and valving will be replaced per the plans. Controls will be implemented with the new strategy listed above to optimize the new heating plant. This will improve comfort and efficiency.

The new propane system, piping, and domestic hot water are not included in this project and will be furnished and installed during the capital project that runs concurrently.

See note 1 below.

Notes:

1. Boiler conversion will be installed per the NYSED approved drawings and specifications, drawing set dated 3/09/2022.